



Memorandum of Understanding
Between
The Regulator of Community Interest Companies
And
The Fundraising Regulator

MEMORANDUM OF UNDERSTANDING

The purpose of the memorandum of understanding is to set out the agreement reached between the Regulator of Community Interest Companies and the Fundraising Regulator, and the framework for co-operation and collaboration.

1. INTRODUCTION

- 1.1 The memorandum of understanding has been drawn up by the Regulator of Community Interest Companies and the Fundraising Regulator.
- 1.2 The purpose of the memorandum is to set out the agreement reached between the Regulator of Community Interest Companies and the Fundraising Regulator and the framework for co-operation and collaboration.
- 1.3 The memorandum sets out the mutual principles and benefits of strategic co-operation and support between the Regulator of Community Interest Companies and the Fundraising Regulator.
- 1.4 The memorandum also provides a transparent statement of commitments on both sides.

2. LEGISLATIVE BACKGROUND AND STATUS

COMMUNITY INTEREST COMPANIES

- 2.1 The Government established the Community Interest Company form for use by social enterprises who wish to operate as limited companies.
- 2.2 The Companies (Audit, Investigations and Community Enterprise) Act 2004 (The Act) and the Community Interest Company Regulations 2005 (The Regulations) provide the legislative framework for the Community Interest Company form.
- 2.3 The Act established the Office of the Regulator for Community Interest Companies and sets out the Regulator's responsibilities for ensuring that Community Interest Companies comply with the requirements of the Act and the Regulations.

FUNDRAISING REGULATOR

2.4 The Fundraising Regulator was established in February 2016 as the self-regulatory body for all charitable fundraising undertaken in the UK.

2.5. The Fundraising Regulator's general functions are:

- setting and promoting the standards for fundraising (in the Code of Fundraising Practice) in consultation with the public, fundraising stakeholders and legislators;
- investigating complaints from the public about fundraising, where these cannot be resolved by the charities themselves;
- investigating fundraising that has caused significant public concern;
- enabling people to manage their contact with charities through the Fundraising Preference Service, and
- publishing a Fundraising Directory of all organisations who have registered to demonstrate their commitment to best practice fundraising.

3. OBJECTIVE OF THE MEMORANDUM

3.1 The primary objective of the memorandum is to establish arrangements between the Regulator of Community Interest Companies and Fundraising Regulator and to:

- (i) ensure appropriate collaboration and liaison between the Regulator of Community Interest Companies and the Fundraising Regulator;
- (ii) set out the circumstances in which the Regulator of Community Interest Companies and the Fundraising Regulator will support one another, share information and collaborate.

4. THE FRAMEWORK FOR JOINT WORKING

4.1 The Regulator of Community Interest Companies undertakes to:

- (i) promote and publicise this MOU with an agreed form of wording;
- (ii) support the principles of the Fundraising Regulator in its continuing development;
- (iii) consult with the Fundraising Regulator on issues affecting both parties;
- (iv) exchange relevant information and provide feedback to the Fundraising Regulator on issues relating to those CICs whose activities are of interest to the Fundraising Regulator; and
- (v) to support the development of co-operation and harness a culture of partnership working in areas of common interest.

4.2 The Fundraising Regulator undertakes to:

- (i) promote and publicise this MOU with an agreed form of wording;
- (ii) support the principles of the Regulator of Community Interest Companies in its continuing development;
- (iii) consult with the Regulator of Community Interest Companies on issues affecting both parties;
- (iv) exchange relevant information and provide feedback to the Regulator of Community Interest Companies on issues and activities that are of interest to the Regulator of Community Interest Companies; and
- (v) to support the development of co-operation and harness a culture of partnership working in areas of common interest.

5. LEGAL AUTHORITY FOR THE DISCLOSURE OF INFORMATION

5.1 Section 59 of The Companies (Audit, Investigations and Community Enterprise) Act 2004 permits the disclosure of information between the Regulator of Community Interest Companies and any public authority where the disclosure is made in connection with the functions of either the Regulator of Community Interest Companies or Public Authority.

5.2 The Fundraising Regulator is not a statutory body but has what may be construed as public functions in:

- (i) obtaining information about the fundraising sector;
- (ii) providing advice and guidance and;
- (iii) developing the standards for fundraising.

The functions of the Fundraising Regulator which ensure and maintains standards of charitable fundraising are likely to assist and/or complement the Regulator of Community Interest Companies in discharging its objectives and functions.

5.2 Both the Regulator of Community Interest Companies and the Fundraising Regulator will:

- (i) encourage the disclosure and exchange of information between them where appropriate, in order to maximise the efficiency of their respective functions; and
- (ii) comply at all times with the General Data Protection Regulation (GDPR) and as later saved by the EU Withdrawal Bill, the Data Protection Act 2018, any relevant codes or conduct or certifications along with any related or analogous legislation.

5.3 Any disagreement arising from the interpretation of the memorandum will be referred to the Regulator of Community Interest Companies and the Fundraising Regulator, who will endeavour to resolve it within the spirit implicit in the co-operation arrangements. The memorandum will be amended if necessary, to reflect the agreed outcome of the referral.

6. GENERAL

- 6.1 Whilst it is intended that the arrangements in the memorandum should apply generally, nothing in the memorandum prevents the making of arrangements to meet special exceptional needs.

7. STATEMENT OF MUTUAL PRINCIPLES AND BENEFITS

- 7.1 This MOU came into effect on 1 October 2019 . The MOU will be reviewed:

- every three years from the date of signing;
- in the event of any significant changes to legislative and regulatory framework of guidance for each organisation; and
- at the request of either organisation.

8. DESIGNATE POINTS OF CONTACT

- 8.1 In order to ensure that matters are handled at the appropriate levels, and that developing policy considerations are taken fully into account, contact between the Regulator of Community Interest Companies and the Fundraising Regulator should be established between designated points of contact (see Annex 1). Where they consider it appropriate, designated points of contact may delegate ongoing liaison to members of their staff.
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